

Electronic Transactions Increase Accuracy, Speed and Efficiency

SDRS PARTICIPATING UNITS can save time and reduce the risk of error by making payments and submitting contribution reports electronically. Recently SDRS introduced new methods that simplify these processes.

Payments

Using Automated Clearing House (ACH) electronic transfers, employers can move funds from their checking accounts to SDRS auto-

matically. This prevents lost or late payments and their ensuing penalties. It also eliminates the task of writing and mailing checks. The SDRS Issue Advisor mailed June 28, 2004, contains instructions for setting up an ACH transfer; the SDRS office will also e-mail instructions to authorized agents upon request.

Contribution Reports

Currently there are two methods for


transmitting contribution reports electronically. Using either method eliminates paper reports and the time and cost that mailing entails. For employers that have been returning reports on disk, it also saves re-entering employee information and dismisses the risk of damage to the disk in shipping.


The first method requires downloading a simple, easy-to-use program from the SDRS Web site. The program consists of a contribu-


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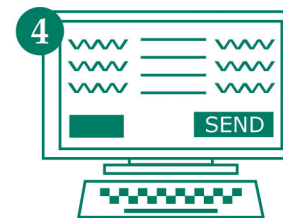
Filing contribution reports electronically saves time, reduces error

Method 1: File contribution reports by using downloaded program

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1. Download program with contribution report form from SDRS Web site
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2. Enter employee information on form and save it
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3. Prepare monthly contribution report by entering employee wages and contributions on form
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4. Click *Send* to transfer completed report to SDRS

Method 2: File contribution reports by uploading

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1. Log onto the SDRS Web site, open *Uploading* under *Employer Information* tab
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2. Using *Browse*, locate contribution report in unit's payroll program
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3. Click *Upload* to transfer contribution report and recap report to SDRS

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tion report form that saves member information – names, addresses, Social Security numbers and so forth – from month to month. Then each pay period, the employer enters its member's gross wages and SDRS contributions and sends the form to SDRS with a single click of the mouse. Especially for small units with basic payroll programs, the form makes filing easy and efficient.

When contribution reports are prepared within a payroll program, employers can use the second

method, uploading. The employer logs onto the SDRS Web site, clicks on *Employer Information* and then on *Uploading*. After using the *Browse* command to locate the report within the payroll, clicking on *Upload* transfers it to SDRS. Particularly for employers with large, complex payrolls, this method reduces the chance for error and decreases the amount of work required.

To begin using either method, an authorized agent must obtain a password from the SDRS office. **UpDate**

SDRS Membership Optional for Elected Officials

UNLIKE PERMANENT, full-time employees of participating units, elected officials may choose whether or not to join SDRS. At the beginning of their terms, newly elected officials report their decisions on form E-4; those wishing to become members must also submit form E-1.

Re-elected officials do not need to notify SDRS unless they want to change their membership status.

The Faces Behind the Voices

Laurel Burke and Chris Stotts

YOU'RE MOST LIKELY to hear Laurel Burke's voice if a member of your unit is nearing retirement. Laurel's duties as a retirement specialist include preparing benefit estimates, which requires final payment reports from authorized agents.



Laurel Burke

"When you realize that SDRS can't calculate a member's benefit without that report of final pay, you understand why we value the work of authorized agents," Laurel says. "The quality of our customer service relies on their

prompt and accurate reporting."

Laurel enjoys these opportunities to talk with agents. "Contact with people – with members and co-workers as well as agents – is the best part of my job," Laurel says. "Having worked for SDRS for 17 years, I recognize that it's the people who make the system work smoothly."

CHRIS STOTTS CAME to SDRS last April with a background in finance and fiscal administration. Like Laurel, Chris says the best thing about his job as senior accountant is interacting with people. Right now you're most likely to hear his voice reminding you to submit form B-1 whenever a member retires, resigns, or changes



Chris Stotts

from permanent to part-time employment. "If authorized agents don't tell us about a member's change in status," Chris says, "we don't have any way to know."

That information is important to Chris because he responds to terminating

members' requests for refunds. "When members want to refund out

of the system," Chris says, "I talk to them about their options – receiving a lump sum or rolling it over into another retirement account. I send out applications and process the paperwork."

Chris also handles purchases of credited service. "Authorized agents who can explain the basics of purchasing credited service really help us out," Chris says. "Of course, when members have technical questions or want to initiate action, they need to call SDRS directly." **UpDate**

The Way It Works

Who Must Participate in SDRS

EXCEPT FOR ELECTED officials (see article, page 2), membership in SDRS is mandatory for all employees of a participating unit who are

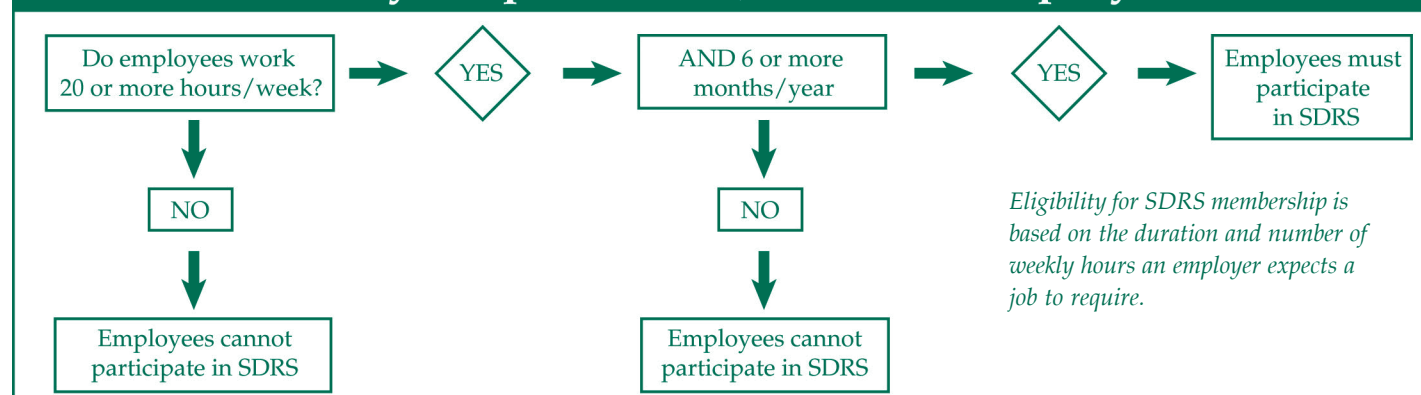
- » permanent: working six or more months per year, and
- » full-time: working 20 or more hours per week.

Both of these requirements must be met. For example, employees expected to work six months or

more qualify as permanent employees. If they are only employed 19 hours a week, however, they are not full-time and may not participate in SDRS. Similarly, employees working 40 hours per week are full-time, but if they are only expected to work for a five-month period, they are not permanent and may not participate in SDRS.

Employers determine eligibility for participation in SDRS based on their expectations of the hours that the job will require and the length of time the job will last. If, in practice, the job entails more or less hours or is of different duration than anticipated, the employer can change its determination. [UpDate](#)

SDRS mandatory for permanent, full-time employees



Coming to Terms

Termination Pay

NO LONGER CONSIDERED a component of salary, termination pay is now exempt from SDRS contributions. Recent legislation redefined termination pay as all lump-sum payments an employee receives upon leaving employment, including

- » compensation for unused vacation
- » compensation for unused sick leave
- » retirement incentives

- » contract buy-outs

The Legislature, acting on a board proposal, also created a Special Pay Plan that significantly reduces taxes on termination pay. This plan allows employers to deposit termination pay directly into a retirement savings account that shelters the pay from Social Security taxes and defers income taxes until the dollars are withdrawn.

For employees, participation in

the Special Pay Plan is mandatory if the three following conditions are met:

- » Their employer chooses to join the program.
- » They are 55 years old or older.
- » They receive at least \$2,000 in termination pay.

The termination pay of employees who do not meet the qualifications above will be subject to normal taxation. [UpDate](#)

SDRS STATE-WIDE INDIVIDUAL COUNSELING SCHEDULE

SCHEDULE DATE	CITY	COUNTY	LOCATION	ADDRESS	DEADLINE TO SCHEDULE*
October 26 – 27, 2004	Rapid City (other agencies)	Pennington	Holiday Inn	505 N. 5th St.	October 21
November 2, 2004	Spearfish	Lawrence	Holiday Inn	I-90 Exit 14	October 28
November 9, 2004	Martin	Bennett	Public Library	Main St.	November 4
November 16, 2004	Madison	Lake	Carl Mundt Library	8th and Egan	November 10
November 23, 2004	Miller	Hand, Hyde	American State Bank	131 N. Broadway Ave.	November 18
November 30, 2004	Pierre	Hughes, Stanley, Sully	Ramkota	920 W. Sioux Ave.	November 24
December 7, 2004	Mobridge	Campbell, Walworth	Wrangler Inn	820 W. Grand Crossing	December 2
December 14, 2004	Kadoka	Haakon, Jackson	Kadoka Firehall	102 Main St.	December 9

* Individual retirement counseling sessions must be scheduled before noon on this date.

Contacting All Agents

SDRS depends on e-mail to keep in touch. Please be sure that SDRS has your current address by sending it, or a notification of any change, to lisa.vandermaten@state.sd.us

New as an Authorized Agent?

Whether you are replacing an authorized agent or joining one

currently on the job, SDRS appreciates your willingness to serve as a link between the system and the members of your unit. Please introduce yourself to the SDRS office by sending in form E-3. Adding your e-mail address ensures that we can include you in all communication. [UpDate](#)



South Dakota Retirement System

PO Box 1098
Pierre, South Dakota 57501

Revised Brochures on Web

Five revised brochures are now available on the SDRS Web site, www.state.sd.us/sdrs. These publications are the latest materials updated to reflect changes made to SDRS programs by the 2004 Legislature.

- ▶ *Income for Your Retirement* for Class A members
- ▶ *Income for Your Retirement* for Class B: Judicial members
- ▶ *Income for Your Retirement* for Class B: Public Safety members
- ▶ *Protection for Your Survivors*
- ▶ *Disability Benefits*

Authorized Agent Training Meetings

SDRS STAFF MEMBERS will join retirement planners to present training sessions for authorized agents. Designed to

help experienced agents as well as newly appointed ones, the sessions will include an overview of the system, legislative

changes, updates to SDRS forms and publications, and a question-and-answer period. [UpDate](#)

AUTHORIZED AGENT TRAINING SCHEDULE

SCHEDULE DATE/TIME	CITY	COUNTIES INCLUDED	LOCATION/ADDRESS
October 28, 2004 9:00 AM – 11:45 AM	Rapid City	Pennington, Custer, Fall River, Shannon, Bennett, Jackson, Haakon, Ziebach, Meade, Lawrence, Butte, Harding, Perkins	Holiday Inn 505 N. 5th St.
December 1, 2004 9:00 AM – 11:45 AM	Pierre	Hughes, Sully, Stanley, Jones, Lyman, Mellette, Todd, Tripp, Gregory, Buffalo, Jerauld, Hyde, Hand, Potter, Dewey, Corson, Brule, McPherson, Edmunds, Walworth, Campbell, Faulk	Ramkota 920 W. Sioux

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